

IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE:

SENTINEL TRUST COMPANY

10:30
AM
FILED
MAY 18 2004
PM

JANET WILLIAMS, CLERK & MASTER
BY: *[Signature]*

NOTICE OF POSSESSION OF SENTINEL TRUST COMPANY

The Commissioner of the Tennessee Department of Financial Institutions hereby gives notice, pursuant to Tenn. Code Ann. § 45-2-1502(b)(1) & (c)(1), that he is taking emergency possession of

SENTINEL TRUST COMPANY.

Such possession is deemed to be effective as of 10:00 a.m. CST, Tuesday, May 18, 2004.

As the basis for such possession, the Commissioner would state as follows:

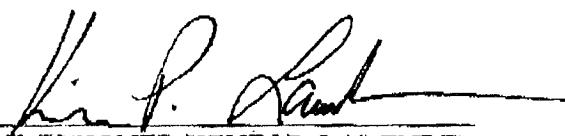
1. Sentinel Trust Company ("Sentinel") is a Tennessee corporation engaged in fiduciary activities and subject to regulation by the Commissioner under the Tennessee Banking Act pursuant to Tenn. Code Ann. § 45-1-124.
2. On May 3, 2004, the Commissioner issued an Emergency Order directing Sentinel to cease and desist from engaging in unsafe and unsound banking practices. That Order found that Sentinel had used pooled fiduciary funds to provide operating capital for non-related defaulted bond issues, thereby creating a fiduciary cash shortfall that greatly exceeds Sentinel's current operating capital and that Sentinel had failed to reconcile fiduciary cash and corporate cash accounts in a timely and accurate fashion and to keep accurate books and records.
3. Efforts to infuse sufficient capital have been unsuccessful. Sentinel's potential liability for the cash shortfall in the pooled fiduciary account exceeds its current capital level.

Furthermore, Sentinel has been unable to provide the Tennessee Department of Financial Institutions with a capital plan as required by the Emergency Cease and Desist Order to demonstrate how Sentinel could make the pooled fiduciary account whole.

Accordingly, the Commissioner has determined, pursuant to Tenn. Code Ann. § 45-2-1502(a) that: 1) Sentinel Trust Company's business is being conducted in an unsound manner; and 2) Sentinel Trust Company is unable to continue normal operations. The Commissioner has further determined, in his opinion, that Sentinel's conduct of business in an unsound manner and inability to continue normal operations constitute an emergency which will result in serious losses to the beneficiaries and/or bondholders and, therefore, that he should take possession of Sentinel Trust Company without a prior hearing, pursuant to Tenn. Code Ann. § 45-2-1502(c)(1).

Any person aggrieved or directly affected by the Commissioner's emergency possession of Sentinel Trust Company may have judicial review in Davidson County Chancery Court by common-law writ of certiorari, as provided in Title 27, Chapter 9 of Tennessee Code Annotated.

The Commissioner is appointing **JEANNE BARNES BRYANT/RECEIVERSHIP MANAGEMENT, INC.** as Receiver, pursuant to Tenn. Code Ann. § 45-2-1502(b)(2), and any inquiries should be directed to the Receiver.


COMMISSIONER KEVIN P. LAVENDER
Tennessee Department of Financial Institutions

Date: May 18, 2004